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CARTER SIGNS ORDER
TO FIGHT PHONE SPIESProgram Will Increase Research
and Rout Messages Underground
to Block Soviet Surveillance

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WASHINGTON, Nov. 19 — President Carter has approved a broad Government program to make it more difficult for the Soviet Union, other nations or businesses to eavesdrop on telephone communications in the United States.

The program was approved this week when Mr. Carter signed a directive, some parts of which were described yesterday in a background briefing by two high-ranking Government officials who requested anonymity.

Under the program, Federal research on how to improve telephone security will be increased. Nearly all Government telephone messages in Washington, New York and San Francisco are in the process of being routed through underground cables, rather than over the more frequently used but less secure microwave radio towers, and private industry is being actively encouraged to develop and use more secure telephone equipment.

The officials also said that the United States had made a direct diplomatic approach to the Soviet Union about its eavesdropping here, in connection with the discussions of the high levels of microwave radiation discovered in the vicinity of the American Embassy in Moscow.

Secret Deliberations

The program disclosed yesterday, a result of more than four years of secret deliberations, could have significant effects on the American economy, not least by the potential cost of increased security, and ultimately on many other aspects of American life.

The officials, who said that for security reasons they could not describe "how we know what we know," said that the Soviet Union is conducting surveillance from four sites in three cities.

They said that the "targets of concern are clearly the Government itself and business, particularly in the defense area, but also other economic areas."

The officials insisted that the general public should not be concerned about eavesdropping by the Soviet Union and other nations. "To the best of our knowledge the public at large is not really a target," one of the experts said.

The two officials declined to make any more precise estimate of the extent of the eavesdropping on the United States telephone system. But this week in Chicago, the Director of Central Intelligence, Adm. Stansfield Turner, warned that "hijackers, gangsters, foreign intelligence operatives and industrial spies" could all be involved in such operations.

Soviet Bloc Suspected

One expert who is not in the Government said in an interview today that, in addition to the Soviet Union, East Germany, Poland and Czechoslovakia may be conducting electronic surveillance of the United States telephone system. The expert, who also requested that he not be identified, said that there was some concern China also might be eavesdropping but that, because of the small number of Chinese Government establishments in this country, this threat was believed to be minimal.

The decision of the Carter Administration to make public even some aspects of its program to limit eavesdropping represents a shift in United States policy. In the past, the National Security Agency, which is responsible for communications security, always has prevailed in its view that the less said about eavesdropping the better. One probable reason for the Government's keeping Mr. Carter's actual directive secret may be that some parts of it touch on the work of the N.S.A.

The partial disclosure of the program, on the other hand, may have been required to encourage industry to take security measures Mr. Carter apparently has decided are required by the potential hazards of Russian eavesdropping.

Possible Political Motive

Another factor in the decision to unveil the program may have been the political need to meet the charge of inactivity on this issue that has been made by Senator Daniel Patrick Moynihan, Democrat of New York.

The officials disclosed that the Federal Government already has held briefing sessions with 28 corporations about the possibility that their telephone links may not be secure. Many of these companies have begun changing their telephone procedures.

One official said that one of the most difficult decisions involved in the deliberations was deciding who would be responsible for carrying out the Government program. Mr. Carter's decision was to establish a special committee headed by Dr. Frank Press, his science adviser, to monitor the various parts of the program to be carried out by the Defense Department and a recently created office to be headed by an assistant secretary of commerce for communications and information policy.

"We didn't think it appropriate to have the Department of Defense controlling the civilian sector," the official said.

The principal parts of the program, in addition to the negotiations with the Soviet Union, were said to include the following elements:

Financing for Government research on telecommunications privacy will be increased from \$10 million in the current fiscal year to \$15 million next year.

Government telephone calls subject to Soviet surveillance are in the process of being routed through underground cables rather than through microwave radio towers. The process, which will cost \$10 million, is virtually complete in Washington and will be completed in New York and San Francisco next year.

An experimental program to equip surveillance targets with Executive Secure Voice Network units, which scramble conversations, is being enlarged. The Government has 100 of these \$35,000 units in place and will purchase an additional 150 units.

Industry and such agencies as the Federal Communications Commission will be encouraged to speed the development and use of equipment and procedures that will make it more difficult for eavesdroppers to secretly record telephone messages.